



Iowa Department of Human Services

INFORMATIONAL LETTER NO. 1934-MC-FFS

DATE: September 10, 2018

TO: Iowa Medicaid Home-and Community-Based Waiver (HCBS) Service Providers

APPLIES TO: Managed Care (MC) and Fee-for-Service (FFS)

FROM: Iowa Department of Human Services (DHS), Iowa Medicaid Enterprise (IME)

RE: HCBS Waiver Services Cost Report Requirements and Medicaid FFS Cost Settlement

EFFECTIVE: Immediately

The IA Health Link managed care program started on April 1, 2016. Informational Letter [1695](#)¹ issued on July 15, 2016, notified providers of the continued cost report requirement and Medicaid FFS cost settlement. This letter will provide an update regarding Medicaid cost report submission requirements and usage.

Submission of Medicaid Cost Reports

Iowa Medicaid providers that provide the following HCBS waiver services are required to submit reports in accordance with Iowa Administrative Code (IAC).

		Intellectual Disability (ID) Waiver	Brain Injury (BI) Waiver	Health & Disability (HD) Waiver	Children's Mental Health (CMH) Waiver
Supported Community Living (SCL)	Daily	X	X		
	15-min	X	X		
Residential Based Supported Community Living (RBSCL)	Daily	X			
Interim Medical Monitoring and Treatment (IMMT)	15-min	X	X	X	
Family & Community Support Services	15-min				X

Medicaid FFS claims will be paid according to current rate methodologies under 441 IAC 79.2. The rate methodologies for all cost reported services except Intellectual Disability (ID) Waiver Daily Supported Community Living (SCL) services and Money Follows the Person (MFP) services continue to require retrospectively limited prospective cost-based rates for Medicaid FFS claims.

¹ https://dhs.iowa.gov/sites/default/files/1695-MC_Cost%20ReportingRequirementsandMedicaidFFSCostSettlement.pdf

Effective December 1, 2017, tiered rates were implemented for ID Waiver Daily SCL services. Although the rate methodology for ID Waiver Daily SCL services is no longer cost-based, the cost report data will be used to evaluate the sufficiency of the tiered rates in subsequent years. For services subject to cost reconciliation, only Medicaid FFS claims will be reconciled. Medicaid MC claims are excluded from the reconciliation process.

Medicaid Cost Report Completion

Cost reports shall be completed for the 12 months ended June 30, 2018. The Medicaid cost report establishes the allowable cost to provide a unit of service for all individuals receiving the service, regardless of payor. The 2018 HCBS Cost Report should include all revenue and cost from the general ledger along with the applicable HCBS units of service provided. All HCBS units of service should be reported separately and tracked separately by payor including Medicaid FFS, Medicaid MC, and other sources such as private pay or county.

Updates to the HCBS Medicaid Cost Report and Instructions

The 2018 HCBS cost report and instructions have been updated. The instructions will soon be removed from the HCBS Provider Manual as these are out of date and **should not be used**. The updated [instructions](#)² and [2018 cost report template \(form 470-5477\)](#)³ can be found on the forms web page of the [DHS website](#)⁴.

Various updates have been made to the cost report schedules. Significant changes include:

- The cost report has been updated for the new ID Waiver Daily SCL codes. The codes should be reported as Community-Integrated (CI) SCL, Other SCL and Residential-Based (RB) SCL as shown below.

	Applicable Procedure Codes		
	Prior to 12/1/17	Effective 12/1/17	
ID Supported Community Living - Community Integrated	H2016-HI	H2016-U1 H2016-U2 H2016-U3 H2016-U4 H2016-U5 H2016-U6	S5136-U1 S5136-U2 S5136-U3 S5136-U4 S5136-U5 S5136-U6
ID Supported Community Living - Other	H2016-HI	H2016-HI	S5136-HI
ID Residential Based Supported Community Living	H2016-U3	S5136-UA	

- Two Exception-to-Policy (ETP) columns were added on various schedules to report services paid through ETP.
- Unduplicated members are reported on the Statistical Data page instead of Schedule D-1.

² https://dhs.iowa.gov/sites/default/files/HCBS_Cost_Report_Instructions_2018.pdf

³ https://dhs.iowa.gov/sites/default/files/HCBS_Cost_Report_2018.xls

⁴ <https://dhs.iowa.gov/ime/providers/forms>

- Revenue detail will now be reported on Schedule A-1. Medicaid FFS revenue on Schedule D-3 will come from Schedule A-1.
- Schedule C-1 has been created to report residential property data.
- A row has been added to Schedule D to allocate revenue offsets related to expenses reported in the Indirect Service Cost column
- Schedule D-1 and D-3 no longer have data input fields. All information on these schedules will come from other cost report schedules.
- Minor formatting changes were made throughout the cost report to aid in clarity and ease of completion.

If you have any questions please contact the IME Provider Cost Audit and Rate Setting Unit at 1-866-863-8610, or email at costaudit@dhs.state.ia.us.